



JOHN ENGLER
GOVERNOR

STATE OF MICHIGAN
FAMILY INDEPENDENCE AGENCY
LANSING



DOUGLAS E. HOWARD
DIRECTOR

The Honorable Mike Goschka, Chair
Senate Appropriations Subcommittee on FIA
Michigan State Senate
State Capitol
Lansing, Michigan 48933

Dear Senator Goschka:

Section 516 of Public Act 82 of 2001 requires that FIA, with the involvement of nonprofit agencies providing adoption services for special needs children through contracts with the department, prepare an annual report. The annual report shall include the number and percentage of adoptions by agency for each reimbursement category for the calendar year. The report also requires FIA to report on the number of adoption finalizations that occurred during the fiscal year.

If you have any questions regarding this information, please contact Jean Hoffman, Adoption Program Manager at (517) 373-4021.

Sincerely,

Douglas E. Howard

Attachment

cc: Senator Joel Gougeon
Senator Raymond M. Murphy
Bret Marr, Legislative Affairs
Connie Cole, SFA
Karyn Burke
Monica Martinez
Jennifer Zambiasi
Mark Jasonowicz, FIA
Asha Shah, FIA
Jim Beougher, FIA
Bill Kordenbrock, FIA
Paul Reinhart, SBO

Section 516, of the Public Acts of 2001

The department, with the involvement of private nonprofit agencies providing adoption services for special needs children through contracts with the department, shall prepare an annual report on the status of special needs adoptions and submit the report to the house and senate appropriations on the family independence agency budget and the house and senate fiscal agencies and the house and senate policy offices by June 1, 2002. The report shall include, at a minimum, all of the following:

- (a) For each private nonprofit agency contract, and in aggregate, the number and percentage of adoptions in each of the payment categories specified in contracts with the department for calendar year 2001.
- (b) The total number of special needs adoptions completed in the fiscal year ending September 30, 2001.

The primary focus of this report is the purchase of service adoptive placement data¹ for calendar year 2001. Also included in this report is fiscal year 2001 finalization data required by the Adoption and Foster Care Analysis and Reporting System, (AFCARS) of the U.S. Department of Health and Human Services. A more detailed AFCARS report is available on the FIA web site at www.michigan.gov.

During this time period, fifty-four agencies were under contract with FIA. Although all agencies were requested to submit placement data, sixteen agencies did not. Eight of the non-reporting agencies placed an average of ten or fewer children in 2001. Section 516 has been a required report for each of the past four calendar years. Therefore, this report provides specific data for the 2001 reporting period and a brief overview of the four-year period.

In calendar year 2001, contractors placed 1,156 special needs children in adoptive homes. This represents a four-year low for adoptive placements provided by contractors.² The table below provides a statewide total by year and placement reimbursement category. Specific information about each contract agency can be found in [appendix A](#).

Three Year Placement History of Contract Agencies by Category

C.Y.	Premium	MARE	Residential	I-MARE	Enhanced	Sub-Total	Standard	Grand Total
1998	305 (22%)	51 (4%)	9 (.7%)	Not a rate in 98	366 (72%)	731 (53%)	643 (47%)	1374
1999	333 (25%)	63 (5%)	5 (.4%)	0 (0%)	358 (27%)	759 (58%)	552 (42%)	1311
2000	389(26%)	84 (6%)	8 (.5%)	0 (0%)	352 (23%)	833 (55%)	690 (45%)	1523
2001	437 (38%)	57 (5%)	7 (1%)	3(0%)	185 (16%)	689 (60%)	467 (40%)	1,156

¹ Placement: Occurs when the child is legally placed with a family for adoption, and the adopting parents have legal custody of the child.

² Number of placements varies from the Client Information System (CIS) and other available reporting services. These numbers reflect actual placements occurring during the calendar year for which the contractor billed FIA, and submitted data for this report.

Payment to Contractors

Payment to an agency is based upon the contractor completing specific performance requirements outlined in the contract. The information below provides a four-year history of payments made to contractors for adoption services.

Reimbursements to Contract Agencies by FY

1998 \$ 8,154,599.37

1999 \$ 8,744,411.42

2000 \$ 10,152,393.40

2001 \$ 11,027,113.67

Four

Year

Total \$ 38,078,517.86 ³

In February 2001, pursuant to legislative action, agencies received a three-percent increase in rates. This rate increase was reflected in the CY 2001-2002 contract. During negotiations with the Michigan Federation of Private Child and Family Agencies, contractors believed that increasing reimbursement in the MARE, Enhanced, and Standard rates would result in improving timely adoptive placements. The largest increase by category, occurred in the Premium rate. In CY 2000, twenty-six percent (26%), of reimbursements above the standard rate were premium. In CY 2001, this increased to thirty-eight percent (38%). However, it must be noted, that eligibility for the Premium rate was expanded in the 2001-2002 contract.

³ This amount includes payment for adoptive placements, finalizations, and payments paid under the accounts payable system. Data is provided on a FY basis not a CY basis and reflects expenditures posted in MAIN.

This change may account for the increased number of premium rate adoption reimbursements.

Although reporting agencies as a whole experienced a five percent (5%) improvement in timely adoptions between calendar years 2000 and 2001, the overall number of adoptive placements reached a four year low. Statewide, placements above the standard rate only fluctuated between fifty-three percent (53%) and sixty percent (60%). Placements at the standard rate fluctuated between forty percent (40%) and forty-seven percent (47%) Increasing reimbursement rates by specific category has not shown an impact in annual statewide performance.

Michigan Adoption Resource Exchange (MARE) Adoptions

During CY 2001, forty-six percent (46%) of MARE adoptive placements were achieved by one agency, Bethany Christian Services, (BCS). In both CY 2000 and 2001, BCS accomplished twenty-six MARE placements per year. Through the Federal Adoption Opportunities Program, BCS received a three-year Adoption Opportunity Grant of \$750,000.00 to develop a specialized recruitment program for children photo-listed with the MARE program. Although this grant has ended, BCS continues their recruitment model to locate homes for waiting children.

However, in spite of increasing the reimbursement rate, the number of MARE adoptive placements statewide, declined dramatically. During CY 2000, 84 MARE placements were achieved. In CY 2001, only 57 MARE placements were completed.

Placement History of Children Photo-listed on MARE

	Other Agencies	BCS	Total MARE
1998	29 (57%)	22 (43%)	51
1999	38 (60%)	25 (40%)	63
2000	58 (69%)	26 (31%)	84
2001	31 (54%)	26 (46%)	57

Adoption Finalizations⁴

During FY 2001, 2,927 children had their adoptions finalized. In FY 2001, contract agencies accounted for 1,649 or fifty-six percent (56%) of the finalized adoptions. The top five private agencies achieving adoption finalizations were:

- | | |
|--------------------------------|-----|
| • Lutheran Adoption Services | 240 |
| • Orchards Children's Services | 151 |
| • Bethany Christian Services | 143 |
| • D.A. Blodgett | 85 |
| • Ennis Center for Children | 80 |

Statewide performance outcomes

The Agency established the following statewide performance outcomes for contractors and FIA offices to achieve:

Of the children who are placed in an adoptive home, forty- percent (40%) shall be placed within six months of commitment to the Agency.

Of the children who are placed in an adoptive home, seventy- percent (70%) shall be placed within twelve months of commitment to the Agency.

⁴ Adoption finalization: The court grants an order of adoption and court supervision/jurisdiction ends.

FY 2001 FIA Performance Findings

FIA staff exceeded the performance standard and achieved the following results:

- Fifty-nine percent (59%) were placed within six months of commitment
- Eighty-six percent (86%) were placed within twelve months of commitment
- FIA adoption workers processed the adoption finalizations of 1,278 children.
- Wayne County FIA staff placed 268 children in adoptive homes, this was more than any other public or private agency.
- FIA facilitated the adoptive placements of eight children who were photo-listed on MARE.

FY 2001 Contract Agency Performance Findings

In FY 2001, Contract Agencies exceeded the performance standards and achieved the following results:

- Sixty-seven percent (67%) were placed within six months of commitment
- Ninety-two percent (92%) were placed within twelve months of commitment
- Contract agencies processed the adoption finalizations of 1,649 children.

Appendix A

Agency Names	Premium Rate	Premium	M A R F	MARF	Intra-Agency M A R F	Intra-MARF	Residential	Residential	Enhanced	Enhanced	Grand Total	Sub% of Grand Total	Standard	Standard	Grand Total	Enhanced Placement	FP% of Total	Standard Placement	SP% of Total	Grand Total 2
Alternative for Children	11	28%	2	5%	0	0%	0	0%	11	28%	24	62%	15	38%	39	0	0%	0	0%	0
Bethany Christian Services	73	47%	26	17%	0	0%	1	1%	30	19%	130	84%	24	16%	154	0	0%	1	100%	1
Catholic Charities - Flint	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0	0%	0	0%	0
Catholic Family of Saginaw	4	100%	0	0%	0	0%	0	0%	0	0%	4	100%	0	0%	4	0	0%	0	0%	0
Catholic Social Service - Grand Rapids	56	69%	3	4%	0	0%	0	0%	5	6%	64	79%	17	21%	81	2	100%	0	0%	2
Catholic Services - Macomb	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0	0%	0	1%	0
Catholic Social Services - Muskegon	12	50%	1	4%	0	0%	0	0%	4	17%	17	71%	7	29%	24	0	0%	4	100%	4
Catholic Social Services - St. Vincent/Lansing	8	19%	4	10%	0	0%	0	0%	12	29%	24	57%	18	43%	42	0	0%	0	0%	0
Catholic Social Services - UP	0	0%	3	100%	0	0%	0	0%	0	0%	3	100%	0	0%	3	0	0%	0	0%	0
Catholic Social Services - Wayne	25	51%	0	0%	1	2%	0	0%	13	27%	39	80%	10	20%	49	1	100%	0	0%	1
Child and Family Services - Saginaw	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0	0%	0	0%	0
Child and Family Services - UP	6	67%	0	0%	0	0%	0	0%	2	22%	8	89%	1	11%	9	0	0%	0	0%	0
Child and Family Services -Western	5	56%	0	0%	0	0%	0	0%	2	22%	7	78%	2	22%	9	0	0%	0	0%	0
D.A. Blodgett	64	80%	2	3%	0	0%	0	0%	10	13%	76	95%	4	5%	80	0	0%	0	0%	0
Eagle Village	7	47%	0	0%	0	0%	2	13%	3	20%	12	80%	3	20%	15	0	0%	1	100%	1
Ennis Center for Children	7	9%	5	7%	0	0%	0	0%	13	17%	25	33%	51	67%	76	0	0%	6	100%	6
Evergreen Children's Services	4	15%	4	15%	0	0%	0	0%	0	0%	8	31%	18	69%	26	0	0%	0	0%	0
Family Adoption Consultants	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0	0%	0	0%	0
Family and Children Services - Kalamazoo	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	10	100%	10	0	0%	1	100%	1
Family Counseling and Children's Services	5	42%	1	8%	0	0%	0	0%	2	17%	8	67%	4	33%	12	0	0%	0	0%	0
Forever Family's	8	38%	1	5%	0	0%	0	0%	4	19%	13	62%	8	38%	21	0	0%	0	0%	0
Hands Across the Water	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	2	100%	2	0	0%	0	0%	0
Helpsource	0	0%	0	0%	0	0%	0	0%	3	16%	3	16%	16	84%	19	0	0%	3	100%	3
Lutheran Adoption Services	95	46%	2	1%	2	1%	1	0%	27	13%	127	61%	80	39%	207	0	0%	15	100%	15
Methodist Children's Home Society	2	10%	0	0%	0	0%	1	5%	0	0%	3	15%	17	85%	20	0	0%	2	100%	2
Michigan Indian Child Welfare	8	50%	0	0%	0	0%	0	0%	3	19%	11	69%	5	31%	16	0	0%	0	0%	0
Spaulding for Children	13	21%	2	3%	0	0%	0	0%	10	16%	25	40%	37	60%	62	0	0%	0	0%	0
Spectrum Human Services	14	36%	0	0%	0	0%	0	0%	10	26%	24	62%	15	38%	39	0	0%	6	100%	6
St. Francis Family Services	0	0%	1	7%	0	0%	0	0%	3	21%	4	29%	10	71%	14	0	0%	0	0%	0
St. Vincent/Sarah Fisher Center	4	13%	0	0%	0	0%	1	3%	4	13%	9	30%	21	70%	30	0	0%	0	0%	0
Teen Ranch Inc.	6	11%	0	0%	0	0%	1	2%	7	13%	14	26%	40	74%	54	1	100%	0	0%	1
The Children's Center	0	0%	0	0%	0	0%	0	0%	6	22%	6	22%	21	78%	27	0	0%	3	100%	3
Whaley Children's Center	0	0%	0	0%	0	0%	0	0%	1	8%	1	8%	11	92%	12	0	0%	0	0%	0
Totals	437	38%	57	5%	3	0%	7	1%	185	16%	689	60%	467	40%	1,156	4	9%	42	91%	46

Agencies that did not submit data for this report:

Adoption Associates Inc.	Children Hope and Adoption Services
Binogil Placement Agency	Christ Child House
Catholic Social Services of Washtenaw	Family Services and Children's Aid
Catholic Social Services Oakland	Family and Children Services Midland
Child and Family Northeast	Homes for Black Children
Child and Family Northwest	Judson Center
Child and Family Southwest	Lula Belle Stewart Center
Child and Family Capitol Area	Oakland Family Services

Appendix B

Definition of reimbursement rates for the Michigan Family Independence Agency's Adoption Purchase of Service Contract

Standard Rate Paid to an agency that places a child in its care in an adoptive home more than seven months after the child's date of permanent wardship. For adoption petitions filed in Wayne County, the child was placed in the adoptive home after nine months of permanent wardship.

Enhanced Rate: Is paid to an agency under contract with FIA where any of the following conditions are met:

- The agency places a child in an adoptive home within seven months of permanent wardship.
- For adoption petitions filed in Wayne County, the child must be placed within nine months of permanent wardship.
- The agency places the child in an adoptive home within seven months of the child's goal being changed from custodial care to adoption.
- Or, the child is placed in an adoptive home within nine months of the case being referred to a different (secondary) adoption agency for purpose of adoption.

Premium Rate: Paid to an agency that places a child in its care in an adoptive home within five months of the child's permanent wardship. For petitions filed in Wayne County, the child was placed within six months of permanent wardship.

Residential Rate: Is paid to an agency that places a child who was residing in a residential treatment facility in an adoptive home within 120 days of the child being discharged from the residential care facility.

Intra-Agency MARE Rate: Paid to the custodial agency (foster care provider), that places a child in an adoptive home after the child has been photo-listed on MARE for 6 or more consecutive months, where no family

with an adoptive family assessment has expressed an interest in adopting the child, and the custodial agency recruits an adoptive family through unique recruitment efforts.

MARE Rate: Is paid to an agency that did not have the child in foster care, which places the child that was photolisted in the MARE book in an adoptive home.

Pre-Placement Standard fee: Paid to an agency when a child in its care is placed by another agency or FIA local office, where the child was referred for adoptive placement after four months from date of wardship.

Pre-Placement Enhanced fee: Paid to an agency when a child in its care is placed in an adoptive home by another agency or FIA local office, where the child was referred for adoptive placement less than four months from date of wardship.